RED CEDAR CORPORATION STAR ROUTE 705 TROUT CREEK, UTAH 435-693-3143 84083

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MAR 2 5 2002

WATER RIGHTS
SALT LAKE

Lee H. Sim, P.E.:

This letter is in response to your letter to me on March 14, 2002. In your letter, you said you were not aware of any real concerns over water rights issues during the past couple years. You said that having Jim White as river commissioner seems to be working fairly well.

The real reason things have been working fairly well the past couple years, is because their has been insufficient water to fill our prior water right. According to your records, I wonder how many times Jim White actually verified water use on all streams concerned?

In the past, when we thought things were working well, we decided to not have a river commissioner. Because there was no verification of water used and because there were false accusations made about our illegal use of water, the State Engineer ordered us to give all the water to George Douglass until this could be resolved. I do not want this type thing to happen again.

You have several letters in your files, from various environmental groups, concerning the water rights and usage in this area. Their primary target is Red Cedar Corporation. They have made several unsubstantiated assertions that Red Cedar Corporation continues to illegally take more water than they are entitled to. In a letter to you (January 15, 2002) from Trout Unlimited, they made the statement "Currently, all water is taken from Granite Creek, even after the applicant's acre-foot allocation is reached, causing loss of the former ½ - mile+ perennial stream occupied by fish." They made this stupid statement, on a drought year, when we barely exceeded ½ our legal water allocation. I submitted all the flow records on Granite Creek and Red Cedar Creek, but how much verification was done by the river commissioner? How much verification was done concerning George Douglass' use of water?

I would love to see these problems improve or go away, but history has not shown that to be the case. Every time we think things are getting better, and relax a little, it comes back and bites us.

Therefore, I request there be a river commissioner, appointed by the State, who is able to check and verify the water usage on all these streams on a more frequent and regular basis. I do not know of a person, in this area, that could be appointed as river commissioner. Therefore, the state should appoint a river commissioner that is unbiased, available on a regular basis, and not from this area.

I would wave this request for a river commissioner, if I would receive a letter from the State, and from George Douglass relieving us of the above mentioned worries. The State would need to send me letter stating that the existing method of water measuring is sufficiently accurate and acceptable. George Douglass would have to send me a letter stating that he acknowledges there is insufficient water that year to fulfill the water rights of both parties, and therefore waves all claims against us for water that year.

I presume these issues and requests could be handled over the phone, or by mail. If you want a meeting, let me know.

March 21, 2002

Glen A. Allred (Treasurer)

cc. George Douglass
Deep Creek Mountains Ranch
Callao Star Route, Box 380
Wendover, UT 84083